

COPY

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D.C.

6 December 1956

My dear Mr. Dulles:

In connection with his current review of departmental requests for the preparation of the 1958 Budget, the President expressed concern at the large number of increases proposed. He asked me to call your attention to the desirability of avoiding the impact of additional Government spending on the national economy at the present time. With business activity at a new high, with competing demands for labor, equipment, and money the Government should not add to the inflationary pressures. The President suggested that you minimize your plans for new construction and even major repairs during this period of extremely high business activity. Plans should be prepared and held in abeyance until there appears to be some lessening of the intense pressures in this area, and you should proceed now with essential projects only.

Sincerely yours,

Director

Honorable Allen W. Dulles
Director
Central Intelligence Agency
Washington 25, D. C.